GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:362
ANSWERED ON:03.02.2017
Cheque-Bounce Cases
Chowdhary Shri Pankaj

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has formulated any policy to curb the rising incidence of cheque-bounce cases in the country;

(b) if so, the details thereof;

(c) the number of such cases pending in various courts bank/State/UT-wise;

(d) whether the Government proposes to amend the Negotiable Instruments Act to prevent cheque bounce cases and if so, the details thereof; and

(e) the other steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) and (b): The Government, inter-alia, has adopted a coordinated approach to assist judiciary for phased liquidation of arrears and pendency in judicial systems, which, inter-alia, involves better infrastructure for courts including computerization, increase in strength of judicial officials / judges, policy and legislative measures in the areas prone to excessive litigation and emphasis on human resource development.

(c): A statement indicating the number of cases taken up and disposed through National Lok Adalats organized on bank matters / Section 138 of the NI Act and Recovery suits etc. held on 13.08.2016, as furnished by the National Legal Services Authority of India (NALSA) is Annexed.

(d): The Finance Minister in his Budget Speech 2017-18 has made following announcement "As we move faster on the path of digital transactions and cheque payments, we need to ensure that the payees of dishonoured cheques are able to realise the payments. Government is therefore considering the option of amending the NI Act suitably."

(e): To address the difficulties faced by the payee or the lender of the money, the Government enacted the Negotiable Instruments (Amendment) Act, 2015, which, inter-alia, clarifies the jurisdiction related issues for filing cases for offence committed under section 138 of the NI Act. The amendment helps the trade and commerce in general and allows the lending institutions, including banks, to continue to extend financing to the productive sectors of economy, as the process of pursuing the cheque bounces cases relating to loan default has been made simpler and efficient.

In order to reduce the pendency of cases in courts, the Legal Services Institutions under the Legal Services Authorities Act, 1987, organise weekly / monthly and also Mega Lok Adalats. In addition to this, National Lok Adalats are also organised in various subject matters including bank matters / Section 138 of the NI Act.
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